

Message Text

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PAGE 01 STATE 045429
ORIGIN TRSE-00

INFO OCT-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10 IO-13 ISO-00
FEA-01 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 EB-08
FRB-03 H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05
PA-01 AID-05 SS-15 STR-04 ITC-01 USIA-06 PRS-01 SP-02
OMB-01 OIC-02 /133 R

DRAFTED BY TREASURY/C.OUELLETTE:JEH
APPROVED BY STR/WBKELLY,JR
COMMERCE:LFITZGERALD
EX-IM:DCHENEY
STR:PMURPHY
EB/ITP/TA:RMEYER

-----020222 103269 /66

P R 020038Z MAR 77
FM SECSTATE WASHDC
TO USMISSION GENEVA PRIORITY
INFO USMISSION EC BRUSSELS
AMEMBASSY HELSINKI
AMEMBASSY LONDON
USDEL MTN GENEVA
USMISSION OECD PARIS
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: ETRD, GATT, MTN

SUBJECT: GATT WP ON EXPORT INFLATION INSURANCE

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PAGE 02 STATE 045429

REF: GENEVA 1187

1. WE AGREE (PARA. 2 OF REFTTEL) THAT U.S. SHOULD RESIST
WP DISCUSSION OF EXCHANGE LOSS GUARANTEE SCHEMES AND
JAPANESE TAX FREE LOSS RESERVES SCHEME, PROVIDED JAPANESE
JUSTIFY SCHEME AS NOT INTENDED TO ATTENUATE OR COMPENSATE
THE EFFECTS OF COST INFLATION. U.S. MISSION REQUESTED TO

SO INFORM THE JAPANESE PERMDEL IN GENEVA.

2. WE BELIEVE IT WOULD BE HELPFUL IN COUNTERING EC DESIRE TO HAVE THE WP INVESTIGATE THE JAPANESE TAX LOSS RESERVE SCHEME TO DEVELOP FOLLOWING SCENARIO: THE JAPANESE WOULD RESPOND TO EC ALLEGATION BY DESCRIBING THEIR SCHEME AND STATING THE SCHEME IS NOT INTENDED TO ATTENUATE OR COMPENSATE THE EFFECTS OF COST INFLATION. THIS WOULD SET THE STAGE FOR THE U.S. DELEGATION TO SAY THAT THE SCHEME CLEARLY FALLS OUTSIDE THE TERMS OF REFERENCE OF THE WP, ALTHOUGH IT MAY WELL BE AN EXPORT INCENTIVE. SINCE THERE MAY BE OTHER EXPORT INCENTIVES THAT FALL OUTSIDE THE TERMS OF REFERENCE OF THE WORKING PARTY, IT WOULD BE APPROPRIATE FOR THESE TO BE DEALT WITH IN THE NTM SUBGROUP ON SUBSIDIES AND COUNTERVAILING DUTIES.

3. MISSION SHOULD DISCUSS ABOVE SCENARIO WITH JAPANESE AND, IF ACCEPTABLE TO THEM, SHOULD SEEK SUPPORT OF OTHER MEMBERS OF WP FOR FINDING THAT DISCUSSION OF JAPANESE TAX FREE LOSS RESERVES SCHEME IS OUTSIDE THE TERMS OF REFERENCE OF WP. MISSION SHOULD ALSO SEEK SUPPORT OF OTHER DELEGATES IN GETTING WP AGREEMENT THAT EXCHANGE LOSS GUARANTEE SCHEMES ARE NOT COVERED BY WP TERMS OF REFERENCE. (HOWEVER, SUCH SCHEMES MIGHT ALSO BE CONSIDERED BY THE NTM SUBGROUP ON SUBSIDIES AND COUNTERVAILING DUTIES.)

4. WE CONFIRM THAT POINTS A THROUGH C, PARA. 3 OF REFTTEL, ARE AMONG OUR OBJECTIVES FOR MARCH 14 MEETING OF THE WP. WE DO NOT EXPECT WP AT COMING MEETING TO DECIDE THAT INFLATION INSURANCE SCHEMES SHOULD BE TERMINATED BUT U.S. LIMITED OFFICIAL USE

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PAGE 03 STATE 045429

WILL CONTINUE TO ADVOCATE SUCH A DECISION.

5. MORE DETAILED INSTRUCTIONS AND QUESTIONS/COMMENTS ON L/4467/ADD.1 WILL FOLLOW.
VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, INSURANCE, INFLATION, POLICIES, INSTRUCTIONS, MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE045429
Document Source: CORE
Document Unique ID: 00
Drafter: JEH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770070-1246
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197703100/aaaadkth.tel
Line Count: 102
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 943a88ac-c288-dd11-92da-001cc4696bcc
Office: ORIGIN TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 GENEVA 1187
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2938347
Secure: OPEN
Status: NATIVE
Subject: GATT WP ON EXPORT INFLATION INSURANCE LIMITED OFFICIAL USE LIMITED OFFICIAL USE
TAGS: ETRD, US, GATT, MTN
To: GENEVA
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/943a88ac-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009